IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O. O.C. J.

WRIT PETITION NO.2926 OF 2004

M/s. Sky Gourmet Catering Private Ltd. & Anr. ...Petitioners.

Versus

Air India Limited & Anr. ...Respondents.

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Mr. D. H. Mehta with Mr. Rajiv Narula i/b. M/s.Jhangiani Narula & Asso. for the Petitioners.

Mr. Jasbir Saluja i/b. M. V. Kini for Respondent No.1.

Mr. D.S. Khambatta i/b. Mulla & Mulla for Respondent No.2.

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CORAM :DALVEER BHANDARI, C.J. &

DR. D.Y. CHANDRACHUD, J.

November 1, 2004.

P.C.:

The Petitioners were awarded a contract for catering and maintenance of the Maharaja/Transit/Unaccompanied Minor Lounges

at Chhatrapati Shivaji International Airport, Terminal IIC for a period of one year with effect from 1st June 2003, followed by an agreement dated 19th May 2004. Clause 6.1.1 empowered Air India to terminate the contract by 30 days' written notice in the event of the performance of the Petitioners being unsatisfactory. According to Air India, during the period November 2003 – March 2004, the standard of service and the quality of catering at the Maharaja Lounge was criticized on several occasions. On 12th December 2003, this was brought to the attention of the Petitioners.

2. In October 2003, Air India constituted an Empowered Committee to upgrade the standard of its service and the terms of reference of the Committee inter alia covered catering and customer service at the Maharaja Lounge. The Committee was of the view that the service afforded in the Maharaja Lounge at the International Airport by the Petitioners was not of the required quality, proficiency and professionalism. Hence, Air India decided to issue fresh tenders to 5 Star Hotels in the vicinity of the International Airport. On 19th May 2004, a Committee comprising of the Commercial Manager, Mumbai

Airport, AGM – Catering and Regional Accounts Manager was constituted for inviting bids of parties which afforded a 5 star level of service which would be compatible with the expectations of the "F" and "J" class passengers. On 29th June 2004, it invited sealed quotations from the following (i) Leela Kempinski, (ii) The Grand Intercontinental, (iii) Hyatt Regency, (iv) ITC Grand Maratha Sheraton and Towers, (v) Le Royal Meridian, (vi) Oberoi Flight Kitchen and (vii) Taj Sats Air catering. Of the aforesaid seven parties, two namely, M/s. Oberoi Flight Kitchen and M/s. Taj Sats Air Catering submitted bids. Both were found to be technically qualified. Final bids of both the parties were opened and after scrutiny, the Committee found that the bid submitted by Taj Sats Air Catering was competitive. Subsequently after negotiations, M/s.Taj Sats reduced their quotation and the Committee recommended that the contract be awarded to the aforesaid party. The contract was accordingly awarded to the Second Respondent who agreed to provide services with effect from 15th October 2004. The contract of the Petitioners was terminated on 13th September 2004 and the Petitioners were informed that their services would not be required from 15th October 2004.

3. Air India in its affidavit in reply has stated that the contract with the Petitioners has expired on 31st May 2004 but, in the meeting which was held on 19th May 2004 between the General Manager of the First Respondent and the Petitioners, the services of the Petitioners were continued for a further period of 90 days after the expiry of the contract.

4. We have heard Counsel appearing on behalf of the Petitioners and for the Respondents. The Petitioners have no vested right to the award of the contract. The contract of the Petitioners has expired and an extension of 90 days was granted in order to facilitate the making of fresh arrangements. Air India's letter dated 12th December 2003 to the Petitioners which is annexed to the affidavit in reply draws attention to the following deficiencies which were noted in the maintenance of the Maharaja Lounge by the Petitioners:

> " The bath area and the towel in the Transit lounge was dirty. There was litter at the passenger tables waiting area and mosquitoes proliferate. The steward was unaware of the menu and there was no menu card available. The passenger was served without showing the menu, no mention was made of the beverages available.

> The snacks were served without cutlery and napkins. The cakes and pastries were not available in the Transit Lounge.
>
> This kind of service is totally unacceptable to Air-India's standard. This is brought to your attention for immediate rectification."

5. Passenger Lounges maintained by Air India at International Airports are meant for the benefit of international passengers. The quality of service rendered by the Petitioners has been shown to be deficient. The Petitioners have no vested right to continue. We, therefore, decline to exercise our jurisdiction under Article 226 of the Constitution. The petition shall accordingly stand dismissed.

CHIEF JUSTICE.

DR. D.Y. CHANDRACHUD, J.